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FM AMEMBASSY LILONGWE
TO SECSTATE WASHDC 0437

UNCLAS LILONGWE 000204

SIPDIS

DEPT FOR EEB/IFD/OMA JULIA JACOBY

E.O. 12958: N/A

TAGS: EAID ECON PREL MI

SUBJECT: MALAWI RESPONSE: FY09 PROHIBITION ON ASSISTANCE TO
CENTRAL GOVERNMENTS WHOSE BUDGETS ARE NOT TRANSPARENT

REF: SECSTATE 28885

¶1. Malawi's central government does receive U.S. foreign assistance funded with FY 09 funds, as defined by reftel.

¶2. Malawi's annual budget is a matter of public record. Budget documents are made available to parliament and can be viewed at the Ministry of Finance budget office. The Minister's budget speech is available on the MoF webpage, along with expenditure and various other reports. A budget brief also exists.

¶3. The publicly available budget includes only revenues and expenditures funded through the government accounting systems. Donor funded projects with separate accounting systems are not included. These projects represent substantial expenditures representing as much as one third of all donor projects reported to the Debt and Aid Division of the Ministry of Finance, and not all active donors even report their projects to the Ministry. The MoF through the Debt and Aid Division is making efforts to capture a more complete statistical picture of all assistance provided to Malawi.

¶4. The publicly available budget figures are reasonably accurate.

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